



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

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Tennessee Division of Consumer Affairs Warns Consumers of Auto Warranty Scams

Nashville, TN - Have you received a letter or postcard in the mail warning that your car's warranty is about to expire? If so, you may be a target of yet another scam aimed at getting consumer's personal information.

This latest scam uses postcards, letters and phone calls to sell over-priced extended auto warranties. Some of the mailings look like legitimate notices from your car dealer or automaker. They include eye-catching warnings on the front with phrases such as "final notice," "motor vehicle notification," or "priority level: high" to make the offer seem urgent.

These scams use scare tactics by telling you that your warranty is about to expire and if you do not act quickly, you will miss out on a great deal. The object is to scare the consumer into giving up personal information such as credit card and bank account numbers.

Many of the postcards include a toll-free number that consumers are urged to call immediately. Consumers who call the number are pressured to buy an expensive extended warranty and are told that they must make a down payment before they can get information about the warranty.

"One way to avoid being a victim of this scam is to understand your car's warranty coverage," said Mary Clement, Director for the Tennessee Division of Consumer Affairs. "If you have any questions contact your dealer, not the number on the postcard."

The Division of Consumer Affairs offers the following tips to avoid becoming a victim of one of these scams.

- Do not give out personal information such as Social Security numbers or bank account numbers.
- Beware of pre-recorded phone calls. Beware of mailings that appear to come from your automobile manufacturer offering extended warranty coverage.
- Research the company to make sure it is legitimate. Contact your local dealer to see if they are familiar with the company.
- When considering an extended warranty, always get information in writing before you agree to sign up or pay any money.
- Be wary of any correspondence you receive from another state.
- Senior citizens should be particularly wary. Some companies target seniors with scams that involve high-pressure sales calls and mailings.

For more information on these scams, contact the Division of Consumer Affairs at 1-800-342-8385 or visit <http://www.tennessee.gov/consumer/>.

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